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cc: Lynn

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Baker*Mercer

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December 6, 2011

RECEIVED E-Mail

DEC 09 2011

Div. of Oil, Gas & Mining

Original by regular mail
Copy by fax to 703-812-1020

Glenda Freeman, Consumer Affairs Specialist
Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
1100 Walnut Street, Box #11
Kansas City, MO 64106

Re: Ref. No. SCC2011W-010858-0

Ms. Freeman:

I represent The Bank of Jackson County regarding the above Reference Number and the complaint sent by the State of Utah Division of Oil, Gas and Mining.

The letters of October 26, 2011, from the Utah Department of Natural Resources and of December 1, 2011, from the Utah Office of the Attorney General were directed to the attention of Thomas E. Heisler, as Executive Vice President of the Bank. Mr. Heisler has not worked at the Bank for some time. Your letter dated December 1 and the Attorney General's letter dated December 1 have been forwarded to me (on December 6, 2011, the same day as the Bank received them).

As you may already know, after the issuance of the letter, the indemnitor for the letter (John Beebe) filed bankruptcy, and his personal bankruptcy has stayed certain rights that the parties may have in this matter. Response to the sight draft tendered by the Utah Division of Oil, Gas and Mining must also comply with the requirements of Utah law, as incorporated into the letter of credit in paragraph 7 of the letter. I am in the process of reviewing Utah statutory and case law and applicable bankruptcy law regarding this matter and will give my recommendation to my client, the Bank, before the close of business on Friday, December 9, 2011. The Bank will then either forward payment of the draft and notify the parties by fax or provide faxed written notice of its response and reasons for dishonor of the letter before the close of business on Monday, December 12.

I trust that this timetable is acceptable to your office. By copy of this letter (by fax), I've notified the Utah Attorney General's office of this response and proposed course of action.

Sincerely,



FRANK A. BAKER, Esq.

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December 6, 2011

**PRIVILEGED COMMUNICATION
TRANSMISSION BY TELECOPIER FROM 850-526-2714**

TO: Glenda Freeman, Consumer Affairs Specialist, Federal Deposit Insurance Corporation, Division of Depositor and Consumer Protection (by fax to 703-812-1020)

Steven F. Alder, Asst. Utah Atty. General (801-538-7440 fax)

RE: The Bank of Jackson County/State of Utah Division of Oil, Gas and Mining

DATE OF TRANSMISSION: December 6, 2011

NUMBER OF PAGES TRANSMITTED (including this cover sheet): 2

SENT BY: Baker

☐ Urgent
☐ Reply Requested
☐ Please Call with Comments
☐ As Requested
☐ For Your Information

ORIGINAL TO FOLLOW:
☐ No
☒ Yes, By Mail (to Ms. Freeman)
☐ Yes, Overnight

MESSAGE:

COPY OF TODAY'S LETTER TO FDIC/Ms. Freeman.

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